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Message Text

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17
ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 L-03 H-02 NSC-05 SS-15

STR-04 CEA-01 PA-01 PRS-01 SAM-01 SAJ-01 CU-02 AGR-05

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R 160515Z MAR 76
FM AMCONSUL HONG KONG
TO SECSTATE WASHDC 9540
INFO USLO PEKING

LIMITED OFFICIAL USE HONG KONG 2953

E.O. 11652: N/A
TAGS: ECON, PINT, CH
SUBJECT: TA KUNG PAO ECONOMIC REPORTER DISCUSSES PRC CAMPAIGN

1. SUMMARY: SENIOR ECONOMIC STAFF MEMBER OF PRC-CONTROLLED NEWSPAPER TA KUNG PAO STATES THAT ANTI-CAPITALIST ROADER CAMPAIGN WILL CONTINUE FOR CONSIDERABLE TIME, BUT IN A CONTROLLED MANNER DESIGNED TO AVOID DISRUPTIONS IN PRODUCTION AND TO GIVE THOSE WHO HAVE "ERRED" OPPORTUNITY TO REFORM THEMSELVES AND THUS MAINTAIN THEIR POSITIONS. ON ECONOMIC SIDE, HE EXPECTS CONTINUED CRITICISM OF IDEOLOGICALLY UNACCEPTABLE PRACTICES, DEMANDS FOR GRADUAL PROGRESS TOWARD ELIMINATING WAGE DIFFERENTIALS AND BOURGEOIS RIGHTS, BUT LESS--OR NO--STRUGGLE OVER INDIVIDUAL ECONOMIC PRIORITIES OR TRADE WITH FOREIGN COUNTRIES. END SUMMARY.

2. A SENIOR ECONOMIC REPORTER AND MEMBER OF EDITORIAL DEPARTMENT OF TA KUNG PAO HAS TOLD US THAT CURRENT PLANS CALL FOR THE ANTI-CAPITALIST ROADER CAMPAIGN IN CHINA TO GO ON FOR SOME TIME, BUT UNDER STRICT CONTROL OF THE PARTY.
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3. THOSE IN CHARGE OF CAMPAIGN "HAVE PROFITIED FROM EXPERIENCE" OF EARLIER SIMILAR MOVEMENTS, HE SAID, AND ARE DOING THEIR BEST TO PREVENT DISRUPTIONS IN ANY ECONOMIC SECTOR. WATCHWORD IS: "EXPLAIN THE POLITICAL POINT, AND THEN GO ON WITH PRODUCTION," HE ELABORATED.

4. OUR SOURCE EXPECTS THAT CAMPAIGN WILL BE DIRECTED PERSONALLY ONLY AGAINST TENG HSIAO-PING AND (POSSIBLY) VERY LIMITED NUMBER OF ASSOCIATES. ALL CULTURAL REVOLUTION REHABILITEES OR OTHERS WHO HAVE "ERRED" WILL NOW BE GIVEN FULL OPPORTUNITY TO "REFORM AND REEDUCATE THEMSELVES," IF THEY TAKE ADVANTAGE OF OPPORTUNITY, THEY WILL BE ALLOWED TO KEEP THEIR POSITIONS, IN PARTY, GOVERNMENT, INDUSTRY, ETC. IF THEY DO NOT, THEY WILL BE REMOVED. SOURCE INDICATED THAT ONE TEST OF READINESS TO "REFORM" MIGHT BE READINESS TO ACQUIESCE IN ADVANCE-MENT OF YOUNGER PERSONS (I.E. PERHAPS VETERANS OF CULTURAL REVOLUTION.)

5. IN ECONOMIC AREA--SOURCE PREDICTED--STRUGGLE WILL CONTINUE TO FOCUS BASICALLY ON HOW TO PROMOTE PRODUCTION, RATHER THAN ON WHAT TO PRODUCE. CRITICS WERE REPORTEDLY DISTURBED TO NOTE SOME EVIDENCE OF BACKSLIDING LAST YEAR TOWARD "RELIANCE ON HIGHER PAY" AS AN INCENTIVE TO WORKERS TO PRODUCE, TOWARD INADEQUATE ATTENTION TO IDEOLOGICAL EDUCATION OF WORKERS, AND TWOARD AMANGEMENT BY PROFESSIONALS. CAMPAIGN WILL ATEEMPT TO ENSURE AT LEAST "VERY GRADUAL" PROGRESS TOWARD ELIMINATION OF WAGE DIFFERENTIALS IN INDUSTRY AND TRANSPORT, AND ELIMINATION OF BOURGEOIS INCOME PRACTICES IN COUNTRYSIDE. ASKED ABOUT TARGET DATE FOR SUCH ELIMINATION, SOURCE RESPONDED "PERHAPS THE YEAR 2000 OR AFTER."

6. SOURCE FIRMLY ASSERTED THAT STRUGGLE DID NOT INVOLVE BASIC ECONOMIC GOALS. THESE GOALS REMAIN AS SET OUT IN JANUARY 13, 1975 ADDRESS BY CHOU EN-LAI TO FOURTH NATIONAL PEOPLE'S CONGRESS, AND SOURCE DID NOT EXPECT ANY MAJOR CHARGE THAT "CAPITALIST ROADERS" SOUGHT TO SUB-VERT THEM. SOURCE ADMITTED THAT HE DID NOT KNOW WHETHER FIFTH FIVE YEAR PLAN HAS BEEN FINALLY ADOPTED, AND THAT LIMITED OFFICIAL USE

POSSIBILITY OF CONTINUED DISAGREEMENT ABOUT INDIVIDUAL FEATURES OF PLAN CANNOT BE EXCLUDED. HE ALSO CONSIDERED IT "CONVEIVABLE," FOR EXAMPLE, THAT CRITICS MIGHT AT SOME TIME CHARGE THAT "CAPITALIST ROADERS" HAD NOT GIVEN FULLY ADEQUATE SUPPORT TO AGRICULTURE. NEVERTHELESS, HE REITERATED PREDICTION THAT ARGUMENTS OVER ECONOMIC PRIORITIES WOULD NOT CONSTITUTE IMPORTANT ASPECT OF CAMPAIGN.

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7. SOURCE FORESAW NO EFFECT OF CAMPAIGN ON ECONOMIC RELATIONS WITH FOREIGN COUNTRIES, WITH PRC CONTINUING TO IMPORT TECHNOLOGY AND EQUIPMENT WHEN THIS WAS ADVANTAGEOUS, AND GENERALLY WORKING FOR EXPANSION OF TRADE.

8. COMMENT: TA KUNG PAO REPORTER'S VIEWS FOLLOW LINE ADOPTED BY OTHER PRC REPRESENTATIVES IN HONG KONG (SEE HONG KONG 2781), BUT ARE ALSO CONSISTENT WITH CURRENT THEMES OF PRC MEDIA EMPHASIZING A CONTROLLED CAMPAIGN DURING WHICH PRODUCTION IS TO BE SAFEGUARDED AND PEOPLE WHO HAVE CARRIED OUT WRONG LINE ARE TO BE REFORMED. ISSUE OF PROMOTING YOUNGER CADRES HAS ALSO BEEN FEATURED IN MEDIA, BUT WE HAVE NOT PREVIOUSLY SEEN THIS QUESTION SPECIFICALLY LINKED TO THE REHABILITATED CADRES' WILLINGNESS TO REFORM.
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